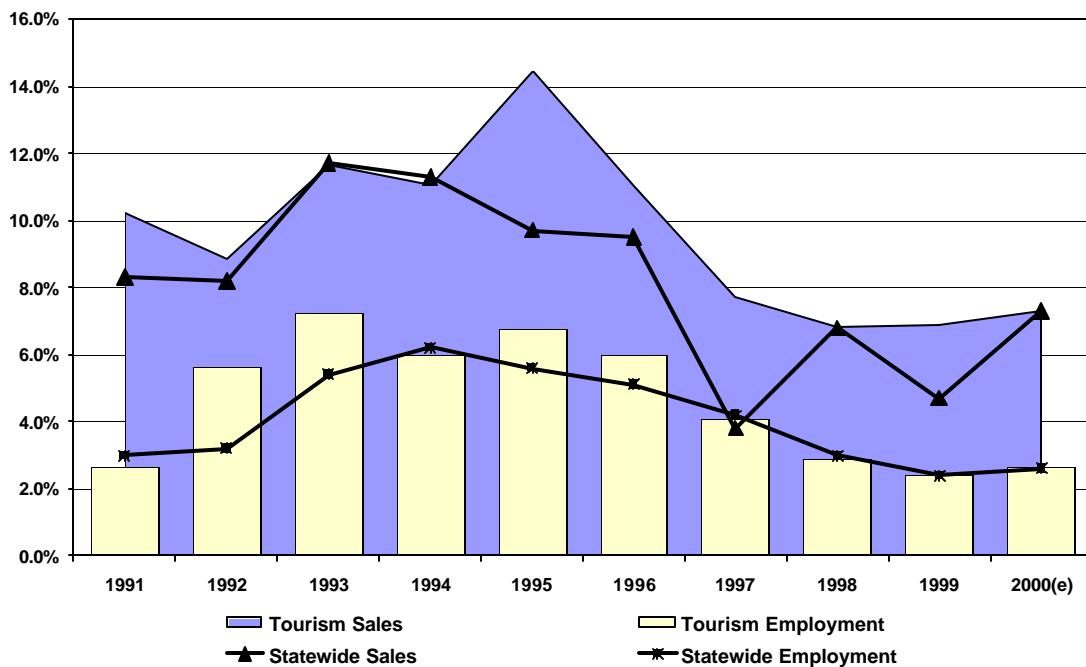


INDUSTRY SECTORS

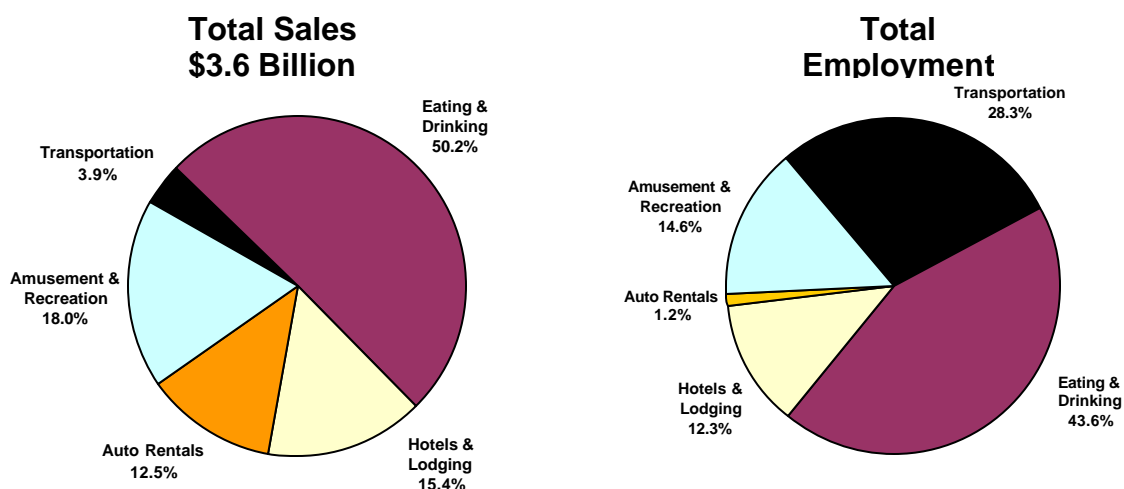
Five key tourism-dependent industries are responsible for most of the measurable impact of the travel industry: transportation, eating and drinking establishments, hotel and lodging places, auto rentals and amusement and recreation services. While not all taxable sales or employment from these industries is attributable to tourism, travelers account for much of the sector's performance. Collectively, these sectors accounted for an estimated \$3.9 billion in total taxable retail sales in 2000. Since 1990, growth in these sectors has equaled or exceeded statewide growth in ten of eleven years and currently accounts for over 12% of total taxable retail sales in the state. Although these sectors have performed extraordinarily well during the past decade, averaging growth rates of nearly 10% per year, growth has slowed considerably since peaking in the mid-90s, decelerating each year from 1995 to 1999. Early estimates indicate that the slowdown may have bottomed out in 1998-99, with growth rates increasing again in 2000 behind the state's stronger economic performance. Historically, there has been a strong correlation between the growth of taxable retail sales in travel sectors and the change in employment. Similar to patterns of taxable retail sales, employment growth has been steady throughout the decade of the 90's, with average annual growth rates near 5%. In 2000, estimated employment in these five tourism sectors accounted for nearly 150,000 jobs in the state, or 14% of total nonagricultural employment in Utah. Further, the growth in travel sector employment equaled or outpaced statewide growth in nine of eleven years. ***The growth of travel in the past decade clearly indicates that it is a major part of the state's economic growth and is becoming an even larger contributor to the state's overall economy.***

Tourism Industry Growth Rates vs. Statewide Growth Rates



SOURCE: Utah State Tax Commission and Utah Department of Workforce Services

Shares of Utah's Tourism Industry – Five Major Sectors, 1999



SOURCE: Utah State Tax Commission and Utah Department of Workforce Services

Gross Taxable Retail Sales for Tourism Industry – Five Major Sectors, 1990-1999

Tourism Sector	Dollar Amounts (Millions)										AAPC 1990-99	% Change 1990-99
	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999		
Transportation (SIC Codes 4011-4789)	\$44	\$39	\$49	\$57	\$69	\$81	\$92	\$102	\$123	\$140	13.7%	218.2%
Eating & Drinking Places (SIC Codes 5812-5813)	\$861	\$935	\$1,025	\$1,140	\$1,234	\$1,349	\$1,473	\$1,554	\$1,677	\$1,815	8.6%	110.8%
Services												
Hotel & Lodging (SIC Codes 7011-7041)	\$307	\$351	\$373	\$400	\$423	\$473	\$528	\$557	\$551	\$556	6.8%	81.1%
Auto Rentals (SIC Codes 7513-7519)	\$148	\$160	\$162	\$182	\$208	\$292	\$351	\$409	\$459	\$453	13.2%	206.1%
Amusement & Recreation (SIC Codes 7812-7999)	\$194	\$228	\$256	\$303	\$378	\$451	\$495	\$544	\$572	\$650	14.4%	235.1%
Grand Total for Tourism Industries	\$1,554	\$1,713	\$1,865	\$2,082	\$2,312	\$2,646	\$2,939	\$3,166	\$3,382	\$3,614	9.8%	132.6%
Tourism Industry Growth Rate	NA	10.2%	8.9%	11.6%	11.0%	14.4%	11.1%	7.7%	6.8%	6.9%		
Statewide Growth Rate	NA	8.3%	8.2%	11.7%	11.3%	9.7%	9.5%	3.8%	6.8%	4.7%		

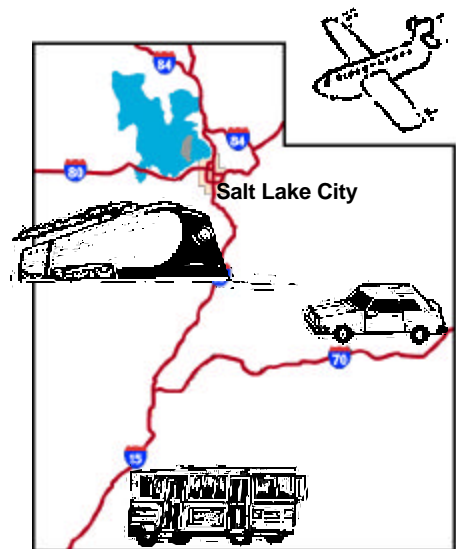
SOURCE: Utah State Tax Commission

Utah Employment for Tourism Industry – Five Major Sectors, 1990-1999

Tourism Sector											AAPC 1990-99	% Change 1990-99
	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999		
Transportation (SIC Codes 4011-4789)	27,687	27,979	29,211	31,409	32,803	34,964	36,949	38,715	40,620	41,184	4.5%	48.7%
Eating & Drinking Places (SIC Codes 5812-5813)	43,167	44,763	47,707	50,901	54,289	57,763	60,462	62,093	62,705	63,540	4.4%	47.2%
Services												
Hotel & Lodging (SIC Codes 7011-7041)	12,174	12,530	12,666	13,602	14,158	14,297	15,132	16,346	17,129	17,906	4.4%	47.1%
Auto Rentals (SIC Codes 7513-7519)	863	828	826	969	974	1,134	1,235	1,366	1,625	1,743	8.1%	102.0%
Amusement & Recreation (SIC Codes 7812-7999)	11,357	11,679	12,870	13,873	15,162	17,163	19,072	19,734	20,161	21,283	7.2%	87.4%
Grand Total for Tourism Industries	95,248	97,779	103,280	110,754	117,386	125,321	132,850	138,254	142,240	145,656	4.8%	52.9%
Tourism Industry Growth Rate	NA	2.7%	5.6%	7.2%	6.0%	6.8%	6.0%	4.1%	2.9%	2.4%		
Statewide Growth Rate	NA	3.0%	3.2%	5.4%	6.2%	5.6%	5.1%	4.2%	3.0%	2.4%		

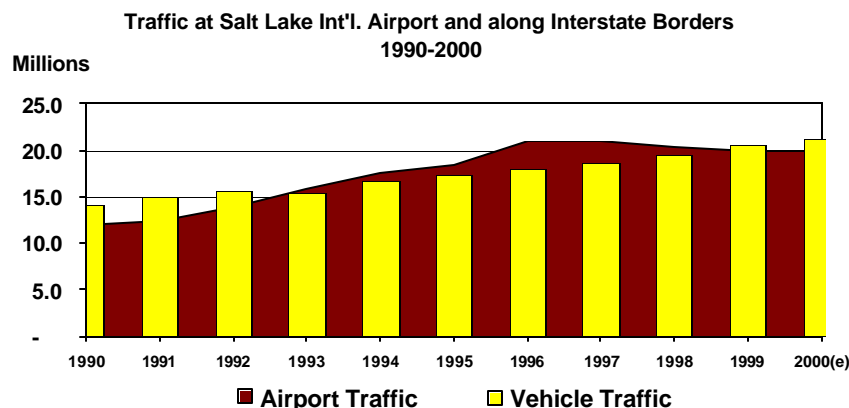
SOURCE: Utah Department of Workforce Services

Transportation. The transportation sector has grown rapidly during the past ten years, averaging growth of nearly 14% per year. Gross taxable retail sales topped \$140 million in 1999. However, the sales figures alone underscore the importance of the transportation sector to the tourism industry. Much more important than the contribution made by the sector in terms of taxable sales are the number of jobs the sector supports (over 41,000 in 1999). Job growth in the sector has averaged 4.5% since 1990, compared to job growth of 4.2% statewide. Two of the key indicators in the transportation sector are the passenger counts at Salt Lake International Airport and vehicle border crossings along Utah's interstates.



In 2000, the passenger count at Salt Lake International Airport declined by 0.2% to a level of 19.9 million, marking the fourth consecutive year of decreases in airline passengers. However, despite the slight decrease in total passengers, 2000 recorded an increase in the number of destination visits, measured by local enplanes and deplanes. Representing approximately 55% of total passengers in 2000, total enplanes and deplanes increased by 2.3% to nearly 11.0 million.

Total vehicle border crossings along Utah's interstates increased 2.5% to a record 21.2 million in 2000. While traffic increased in 2000, its growth was much lower than the 4.6% average annual growth for the past decade. The border crossings in the state that receive the most traffic are the I-15 Utah-Arizona border and the I-80 Utah-Wyoming border.

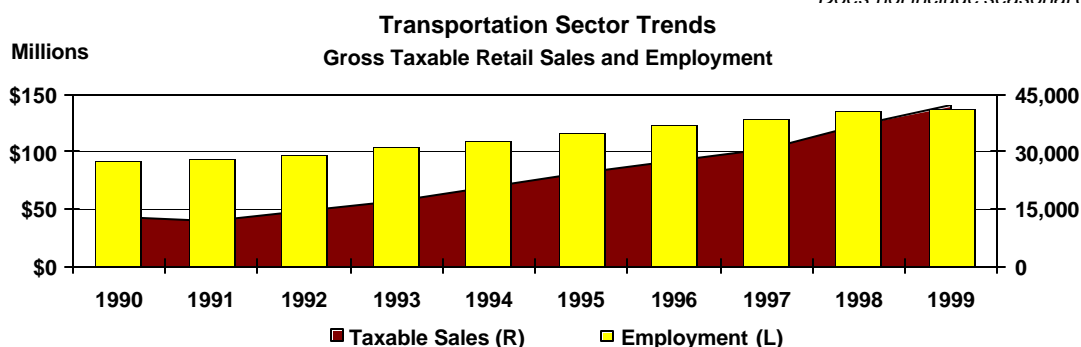


SOURCE: Utah Dept. of Airports and Utah Dept. of Transportation

Salt Lake Int'l. Airport Scheduled Daily Departures (as of December 2000)	
America West	6
America	6
Continental	4
Delta	147
Frontier	3
jetBlue	1
Northwest	4
SkyWest	104
Southwest	38
TWA	3
United	17
TOTAL	333

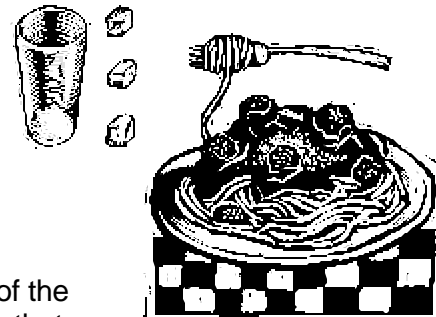
*As reported by the airlines to the
SH&E/ABC Airport Schedule Report*

Does not include seasonal charters



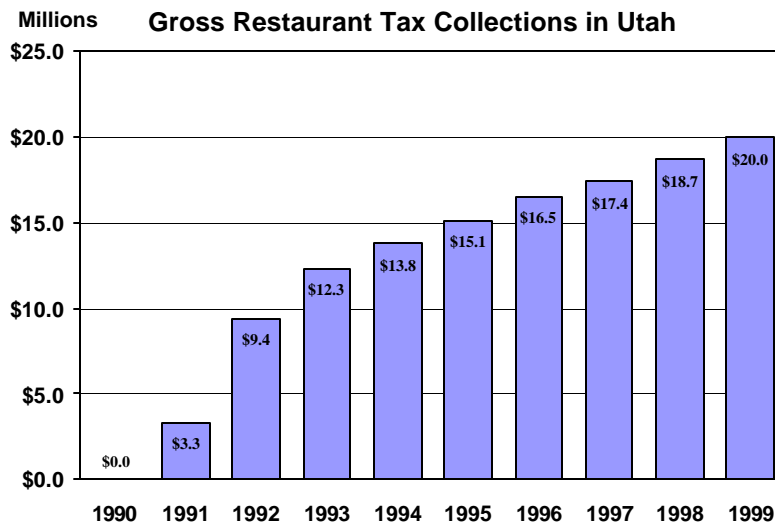
SOURCE: Utah State Tax Commission and Utah Department of Workforce Services

Eating & Drinking. The eating and drinking sector is comprised mostly of restaurants, clubs, bars and other such establishments. Together, they form the largest sector within the travel industry, accounting for over 50% of total taxable retail sales and over 40% of total industry employment in 1999. In 1999, the eating and drinking sector accounted for over \$1.8 billion in sales and over 63,500 jobs.

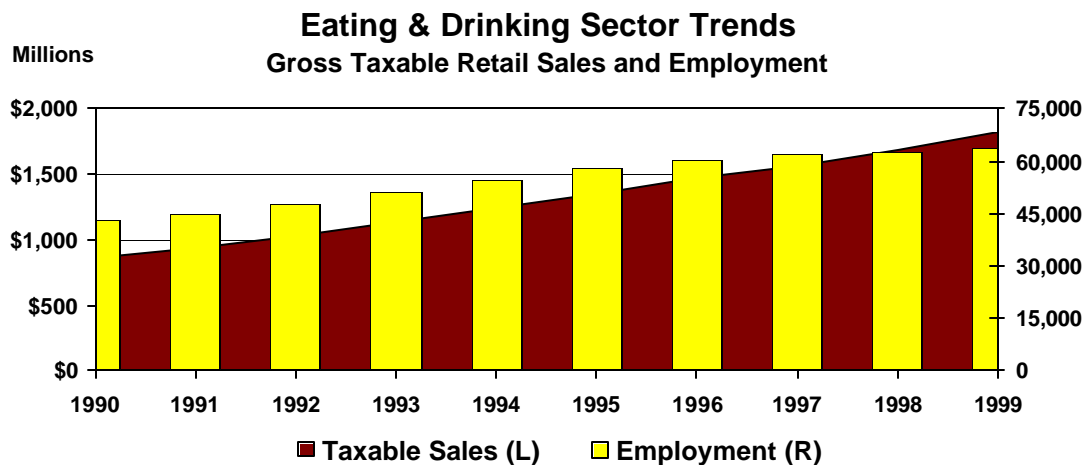


Tourism promoters are particularly aware of the performance of the eating and drinking sector because of a 1991 legislative action that allowed counties within the state to levy a 1% tax on prepared foods and beverages sold for immediate consumption. Currently, 24 counties levy the 1% tax as part of the larger Tourism, Recreation, Cultural, Convention and Facilities Tax. The counties may use revenues from the tax for a variety of purposes to “foster the development of tourism, recreation, cultural and convention facilities.” (Utah State Tax Code, 59-12-601 (1)(e)) Restaurants have performed consistently well throughout the past decade, growing at an average rate of 8.6%. In 1999, gross taxable sales in the eating and drinking sector increased by 8.2% while restaurant tax revenues increased slightly less at 7.0%. More than other travel sectors, the eating and

drinking sector is dependent on the resident population for a portion of its business. Consequently, most of the restaurant sales originate within the Wasatch Front area (including Salt Lake, Davis, Weber and Utah counties). Over 75% of the total restaurant tax revenues were collected in the Wasatch Front. This is not surprising given that approximately 75% of the state’s populations reside within the same area.

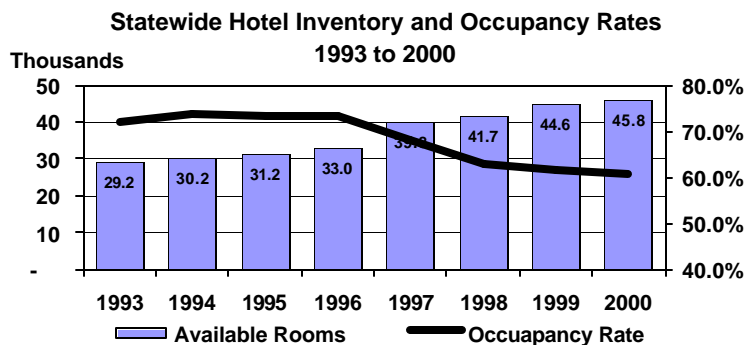
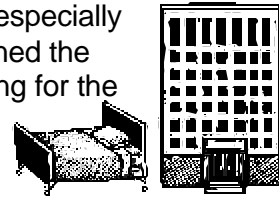


SOURCE: Utah State Tax Commission

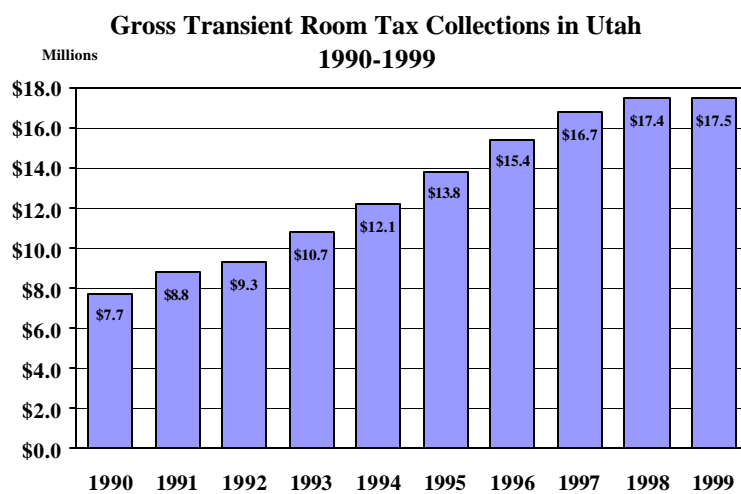


SOURCE: Utah State Tax Commission and Utah Department of Workforce Services

Hotels & Lodging. The rapid increase in the number of available rooms, especially in the Salt Lake market, combined with slower demand growth has dampened the hotel market in recent years. Occupancies declined to 60.9% in 2000, falling for the sixth consecutive year and marking a decline of 12.8% percentage points since peaking at 73.7% in 1994. Occupancies have fallen most precipitously since 1996, corresponding with a rapid increase in room supply. Since 1996, the number of available rooms has increased by nearly 40%, from just over 33,000 in 1996 to almost 46,000 in 2000. On the positive side, transient room tax collections



SOURCE: Utah Hotel & Lodging Association and Rocky Mtn. Lodging Report



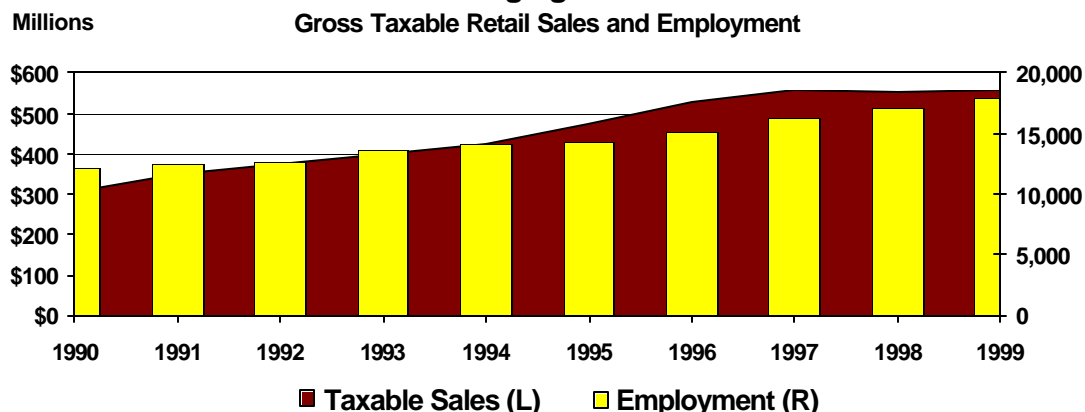
SOURCE: Utah State Tax Commission

Room Inventory by County, 2000

Salt Lake	17,362	Carbon	572
Washington	3,851	Wasatch	572
Summit	3,286	Uintah	564
Utah	2,833	Beaver	482
Grand	2,325	Millard	334
Garfield	2,154	Sanpete	267
Iron	1,921	Box Elder	248
Weber	1,783	Duchesne	225
Davis	1,327	Emery	208
Kane	1,124	Juab	193
San Juan	837	Daggett	133
Cache	828	Rich	133
Sevier	773	Piute	109
Tooele	763	Morgan	4

SOURCE: Utah Hotel & Lodging Association

Hotels & Lodging Sector Trends

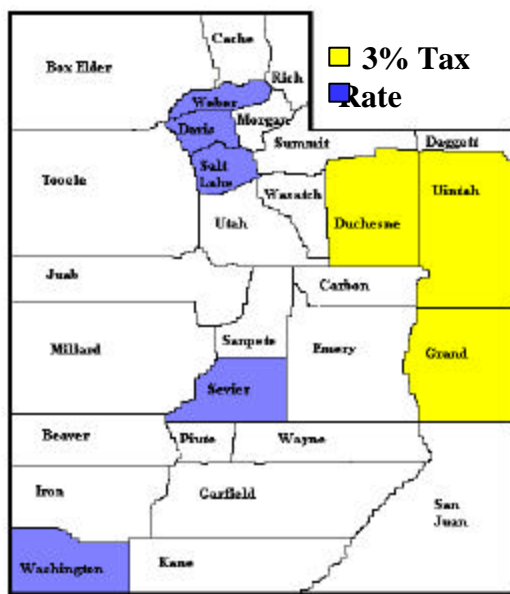


SOURCE: Utah State Tax Commission and Utah Department of Workforce Services

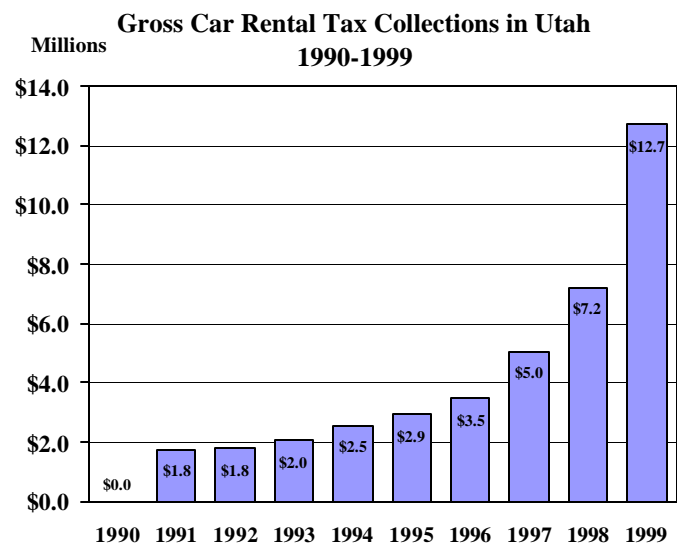
Auto Rentals. While employing a relatively small number of people, the auto rental sector generates significant sales statewide. Since 1994, gross taxable sales in the auto rentals sector have risen dramatically, increasing at an average rate of 17% per year. However, sales declined to \$453 million in 1999, marking the first annual decrease in the past decade. Employment gains, while small, have been steady throughout the decade. The sector supported over 1,700 jobs in 1999. The auto rental sector collects several taxes, including state and local sales tax, county-based car rental taxes and a statewide car rental tax. As part of the Tourism, Recreation, Cultural, Convention Facilities Tax, seven counties impose a car rental tax (three counties impose the tax at 3%, five impose a 7% tax). As a result of recent tax rate increases, revenues from the county-based car rental tax have risen to nearly \$10 million, almost all of which is generated in Salt Lake County. In addition to the county-based tax, the statewide motor vehicle rental tax is imposed in all counties at 2.5%.



County-Based Car Rental Tax Rates



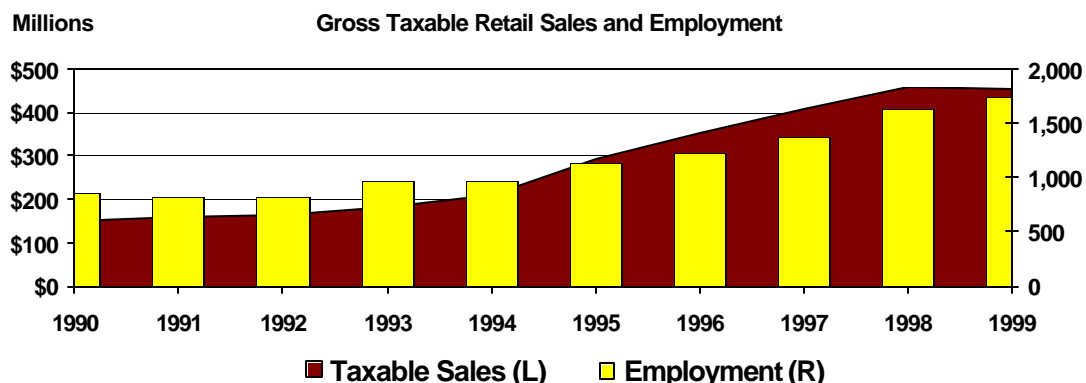
SOURCE: Utah State Tax Commission



SOURCE: Utah State Tax Commission

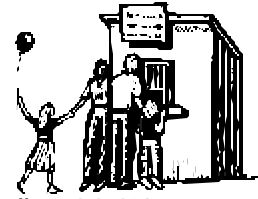
Auto Rental Sector Trends

Gross Taxable Retail Sales and Employment



SOURCE: Utah State Tax Commission and Utah Department of Workforce Services

Amusement & Recreation. The amusement and recreation sector is perhaps the most diverse of any tourism sector. Included in the sector are attractions such as ski resorts, commercial sports venues, movie theaters, bowling alleys and amusement parks. The sector is one of the largest and fastest growing segments in the Utah economy. Over the past decade,

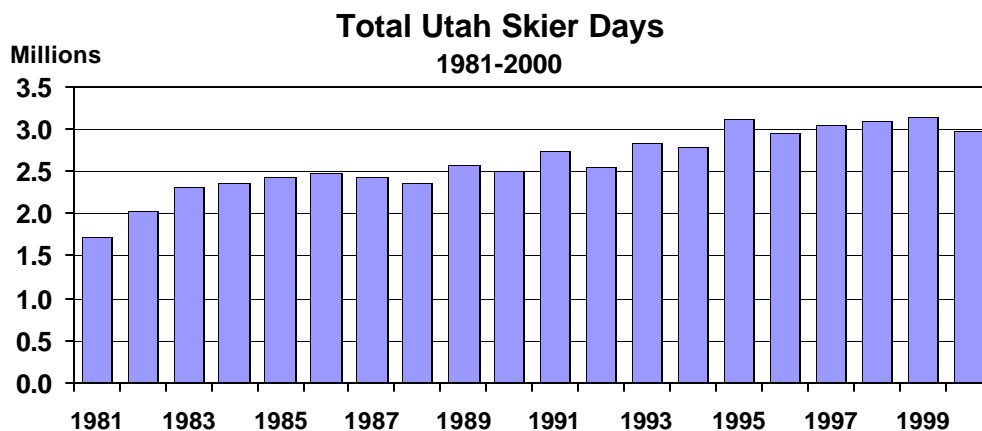
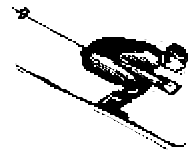


growth in taxable sales within the sector has averaged an astounding 14.4%.

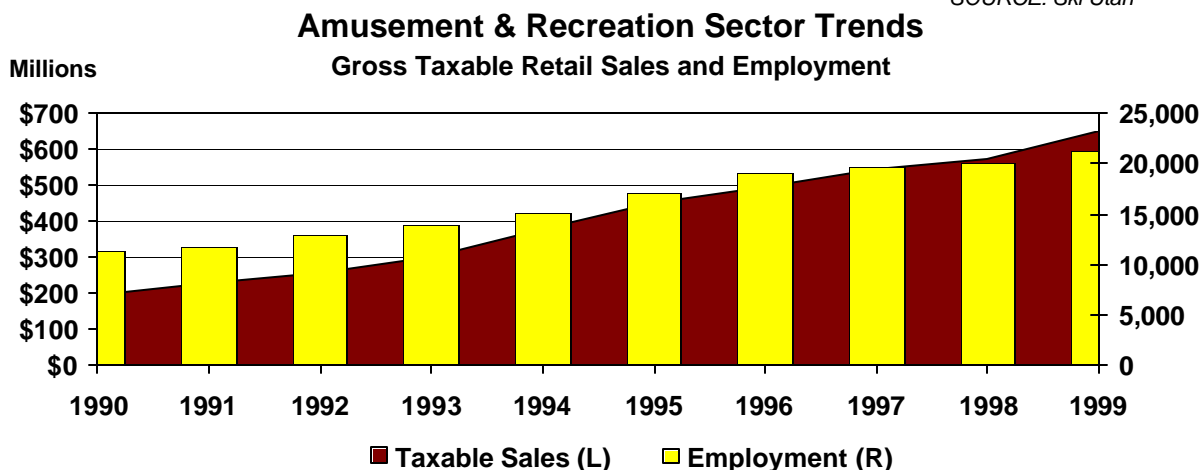
Employment growth has been equally robust, averaging growth rates above 7% throughout the 1990s. In 1999, the amusement and recreation sector generated \$650 million in sales for the state and supported over 21,000 jobs. Over the past ten years, the sector has become increasingly important to the travel industry.

Within the five major sectors, amusement and recreation has increased its share of taxable sales from 12.5% in 1990 to 18.0% in 1999. Employment growth has followed a similar pattern, increasing from 11.9% of travel sector employment in 1990 to 14.6% of travel sector employment in 1999.

Skiing. Marginal snow conditions and fears of potential Y2K problems kept skiers at home during the 1999/2000 season. After peaking during the 1998/99 season, total skier days ended the year down 5.3% at 3.0 million, roughly the same number as in 1996. Utah's performance reflects a national trend of little growth in the number of skier days over the past several years.



SOURCE: Ski Utah



SOURCE: Utah State Tax Commission and Utah Department of Workforce Services